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Docket # 222
Docket - 92-265

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

OCT 24 1994

IN REPLY REFER TO:
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RECEIVED

OCT 27 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Lauch Faircloth
United States Senate
716 Hart Senate Office Building
Washington, DC 20510-3305

Dear Senator Faircloth:

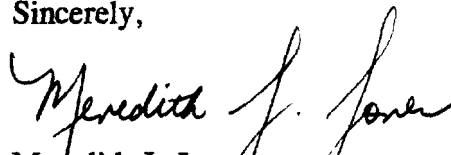
This is in response to your inquiry on behalf of your constituents, Mr. Richard W. Sanderson, Assistant General Manager of Prime Watch, and Mr. John L. Wengert, Community Relations Manager of Star Telephone Membership Corporation. Messrs. Sanderson and Wengert are concerned that DirecTV, an operator of a direct broadcast satellite (DBS) facility, cannot obtain rights to Time Warner and Viacom programming, because such programming is subject to exclusive distribution rights of another DBS distributor, United States Satellite Broadcasting, Inc.

These constituents also express their support for the position of the NRTC concerning the Federal Communications Commission's interpretation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992. NRTC has requested that the Commission reexamine the legality of exclusive contracts between vertically integrated cable programmers and DBS providers in areas unserved by cable operators. NRTC has asked that the Commission determine that such contracts are prohibited.

NRTC's petition for reconsideration of the Commission's program access rulemaking proceeding is currently pending. As such, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by NRTC and the other parties to the rulemaking concerning this issue to arrive at a reasoned decision on reconsideration.

I trust this information is responsive to your inquiry.

Sincerely,


Meredith J. Jones
Chief, Cable Services Bureau

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LAUCH FAIRCLOTH
NORTH CAROLINA

United States Senate

WASHINGTON, DC 20510-3305

CSB access
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September 1, 1994

Ms. Judith L. Harris
Director, Office of Legislative Affairs
Federal Communications Commission
1919 M Street, N. W.
Room 808
Washington, D.C. 20554

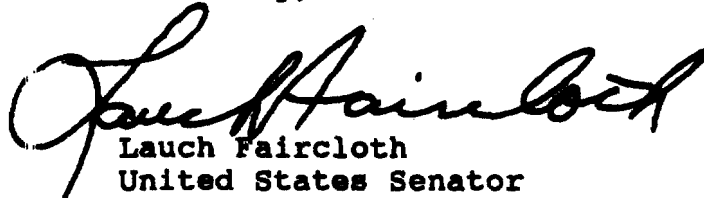
Dear Ms. Harris:

I am enclosing copies of letters from several North Carolina residents who wish to voice their concerns on Federal Communications Commission related issues.

I would greatly appreciate it if you would give their thoughts your full consideration and provide them with responses. Also, please send copies of your responses to Mr. Tom Roddis of my staff.

Thank you.

Sincerely,


Lauch Faircloth
United States Senator

LF:tr

140617

July 29, 1994

214 W. Whitfield Street
P.O. Box 730
Enfield, NC 27823-0730
(919) 445-4411
1-800-775-0068

The Honorable Senator Lauch Faircloth
United States Senate
716 Hart Senate Office Building
Washington, DC 20510

Dear Senator Faircloth:

I am writing this letter to voice a concern I have regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

As a distributor of (DSS/C-Band) satellite television programming equal access to cable and broadcast programming at fair rates - something which we are not currently receiving - is essential for PrimeWatch, Inc. to be competitive in our local marketplace.

The attached letters to FCC Chairman Reed Hundt from myself, in addition to Representative Billy Tauzin and other members of Congress, spell out my concerns on this issue.

It was my impression that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers - like Time Warner and Viacom - have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

I would greatly appreciate your assistance on behalf of rural consumers in North Carolina in encouraging the FCC to correct this inequity.

Sincerely,

Richard W. Sanderson
Assistant General Manager

cc:

The Honorable Senator Helms
The Honorable Representative Clayton

A Subsidiary of Halifax Electric Membership Corporation



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July 29, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M. Street, NW Room 814
Washington D.C., 20554

RE: Cable Competition Report
CS Docket No. 94-48

Dear Chairman Hundt:

The purpose of this letter is to document support of the comments of the National Rural Communications Cooperative (NRTC) in the matter of implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the market for delivery of Video Programming, CS Docket No. 94-48.

PrimeWatch, Inc., is a subsidiary of a rural electric member of NRTC and a distributor for DirectTV Tm direct broadcast satellite (DBS) television service. We are involved in bringing satellite television to rural consumers throughout North Carolina. (PrimeWatch has no relationship to PrimeStar who is named in related correspondence and the similarity is totally coincidental.)

When the Cable Act of 1992 was passed, we felt that the "playing field had been leveled" and our access to all programming at a fair price was a reality. But today we are still at a competitive disadvantage since we don't have reasonable access to programming owned by Time Warner and Viacom.

Under the new DBS technology, some of the most popular programming such as HBO and Showtime distribution is controlled by an exclusive deal between United States Satellite Broadcasting (USSB) and Time Warner/Viacom. It was our understanding that the new act prohibited such exclusivity. In comparison, none of DirectTV's arrangements are exclusive and USSB has full access, if desired.

Our consumers are confused and rightfully so - they cannot understand why they can't buy everything they need from us.

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For example if they want CNN (from us) and HBO (from them), they have to buy two packages from two sources. Quite an aggravation for the consumer!

As we have started to build our DBS business, we have had a lot of consumers who refuse to buy (hardware or programming) from us because we don't have access to those products. This is a complex business even when the playing field is level. The confusion and inconvenience being forced on rural America is totally unnecessary.

We believe very strongly that the 1992 cable Act absolutely prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Sincerely,


Richard W. Sanderson
Assistant General Manager

via facsimile & U.S. mail

cc:

The Honorable Representative Eva M. Clayton
The Honorable Senator Lauch Faircloth
The Honorable Senator Jesse Helms
William R. Caton, Secretary
The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Susan Ness
The Honorable Rachelle B. Chong

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STAR TELEPHONE MEMBERSHIP CORPORATION

P. O. BOX 348, CLINTON, NORTH CAROLINA 28328

WRITER'S DIRECT DIAL NUMBER

910-564-7890

1994 JUL 25

139349

July 20, 1994

The Honorable Lauch Faircloth
United States Senate
716 Hart Building
Washington, DC 20510

Dear Senator Faircloth:

Star Telephone is providing a service, satellite, to rural North Carolina that otherwise would not be feasible. Cable companies have always stationed their operations in high-density areas to assure them of a high-profit market.

As a rural Telephone cooperative, we are asking for comparable programming rates for our consumers that cable is not willing to serve because of low density per mile (four per cable mile in Star TMC territory).

Please support rural America in obtaining fair and equitable pricing on programming rates and services. }

Thank you for your support and we look forward to hearing from you on this important issue.

Yours very truly,

John L. Wengert
Community Relations Manager

JLW/sb

Attachment



STAR TELEPHONE MEMBERSHIP CORPORATION

P. O. BOX 348, CLINTON, NORTH CAROLINA 28328

WRITER'S DIRECT DIAL NUMBER
910-564-7890

July 20, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Room 814
Washington, DC 20554

Dear Chairman Hundt:

Star Telephone Membership Corporation is a member of NRTC and is directly involved in the distribution of C-Band satellite television programming to over 14,000 members in rural North Carolina.

Currently we are required to pay extended prices for popular cable and broadcast programming than cable companies in our area. This has a detrimental effect on our ability to compete in our rural service area.

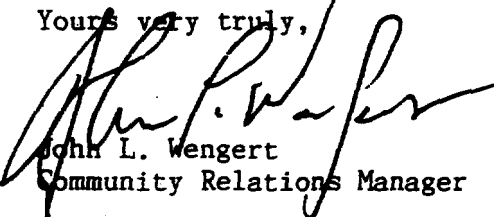
We are in support of the comments filed by NRTC in the matter of implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992. It was my understanding that programming would be priced according to the rates of comparable sized cable companies after passage of this act. Why are we still paying more?

Some programmers have abided within the parameters of the law, still Star Telephone needs fair and equal access to all programming at comparable cable rates.

The FCC must prohibit abuses of program access provisions of the 1992 Cable Act by rule and award damages for program access violation.

Thank you for addressing this matter in a timely fashion.

Yours very truly,


John L. Wengert
Community Relations Manager

JLW/sb

xc: William F. Caton
The Honorable James H. Quello
The Honorable Rachell B. Chong
The Honorable Andrew C. Barrett
The Honorable Susan Ness